



# National Agricultural Marketing Council

Promoting market access for South African agriculture

## Supply & Demand Estimates Committee Progress Report 2023/24

The NAMC, Maize Trust, Oil and Protein Seeds Development Trust, Sorghum Trust and Winter Cereals Trustfund the Grain and Oilseeds S&DE initiative

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## **1. INTRODUCTION**

The monthly Supply and Demand Estimates Committee (S&DEC) meetings serve the crucial function of gathering new information that becomes available in the market at a given moment. It is also critical to realize that any agricultural progress is largely dependent on having access to reliable market information, which can help, to a certain extent, address additional issues like food security. In 2011, Grain South Africa applied for a statutory measure for grain traders to report information on export and import contracts. A similar approach is practiced in the United States of America. The application by Grain SA was opposed by other directly affected groups such as the South African Cereals and Oilseeds Trade Association (SACOTA); however, collaboration between SACOTA and the Supply and Demand Estimates Committee was subsequently established. The proposed statutory measure was then put on hold, and the committee sought to perform its activities without the interference of the statutory measure. The industry thus appointed Dr. John Purchase as Chairperson of this committee, with the National Agricultural Marketing Council (NAMC) acting as secretariat. Following all industry engagements and consultations, the first official Supply and Demand Estimates report was published at the end of June 2013. The establishment of this committee was demand driven by the need to produce accurate and transparent market information to ensure that the market functions more efficient for the participants.

## **2. PURPOSE OF THE SOUTH AFRICAN SUPPLY AND DEMAND ESTIMATES(SASDE) REPORT**

The report provides an analysis of the fundamental conditions of the major grains and oilseeds in South Africa. The report is normally released within four to five working days after the Crop Estimates Committee (CEC) meeting. The report is released into the public domain with the approval of the South African competition authorities. Please see Annexure 1 for publication dates.

## **3. COMPOSITION OF THE S&DEC**

The S&DEC is a technical committee that communicates directly with industry role-players through the Supply and Demand Estimates Liaison Committee (S&DELC). The S&DEC consists of a chairperson with two independent specialists appointed by the industry; the NAMC acts as the secretariat with three staff members and the South African Grain Information Service (SAGIS) and the secretariat of the CEC from the Department of

Agriculture, Land Reform and Rural Development (DALRRD).

#### **NAMC representatives**

- Dr Moses Lubinga – Manager: Agro Food Chains
- Ms. Lizette Mellet – Senior Economist: Statutory Measures
- Ms. Funzani Sundani – Senior Economist: Grain Specialist

#### **DAFF representatives**

- Ms. Rona Beukes – Senior Statistician: Crop Estimates
- Ms. Marda Scheepers – Senior Statistician: Crop Estimates

#### **SAGIS representative**

- Mr. Bernard Schultz – CEO: SAGIS

#### **Independent specialists**

- Prof Andre Jooste
- Prof Johan Willemse
- Dr Anton Lubbe

### **4. ATTENDANCE OF MEETINGS BY MEMBERS**

The table below indicates the attendance of monthly S&DEC meetings by members. Please note that the December meeting is usually held in January of the following year, due to the festive season holidays. It is important to note that independent specialists are only reimbursed for the meetings they attend.



**Table 1: Annual attendance register**

	Members and meeting dates 2023/24	4 May 2023	Liaison Meeting 11 MAY 2023	30 May 2023	30 June 2023	28 July 2023	1 Sep 2023	29 Sep 2023	31 Oct 2023	1 Dec 2023	12 Jan 2024	2 Feb 2024	1 March 2024	28 MARCH 2024
Expert Members	Prof Jooste	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Dr Lubbe	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Prof Willemse	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
CEC and SAGIS	Ms Beukes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	✓
	Ms Scheepers	✓	✓	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	✓
	Mr Schultz	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
NAMC	Ms Sundani	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Ms Mellet	✓	✓	x	x	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Ms Dempers	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	x	x	x
	Dr Lubinga	x	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	✓

## 5. METHODOLOGY USED BY THE S&DEC

### Process before the meeting

- The S&DEC meeting takes place three to five working days after the CEC meeting, at the end of each month with the exclusion of December.
- A reminder is sent to all co-workers approximately seven days before the S&DEC meeting, requesting that they submit estimates on imports, exports, and consumption for selected grains and oilseeds.
- The S&DEC meeting takes place in a lockdown room with no cell phones allowed, except when there is uncertainty about any of the figures sent by co-workers.

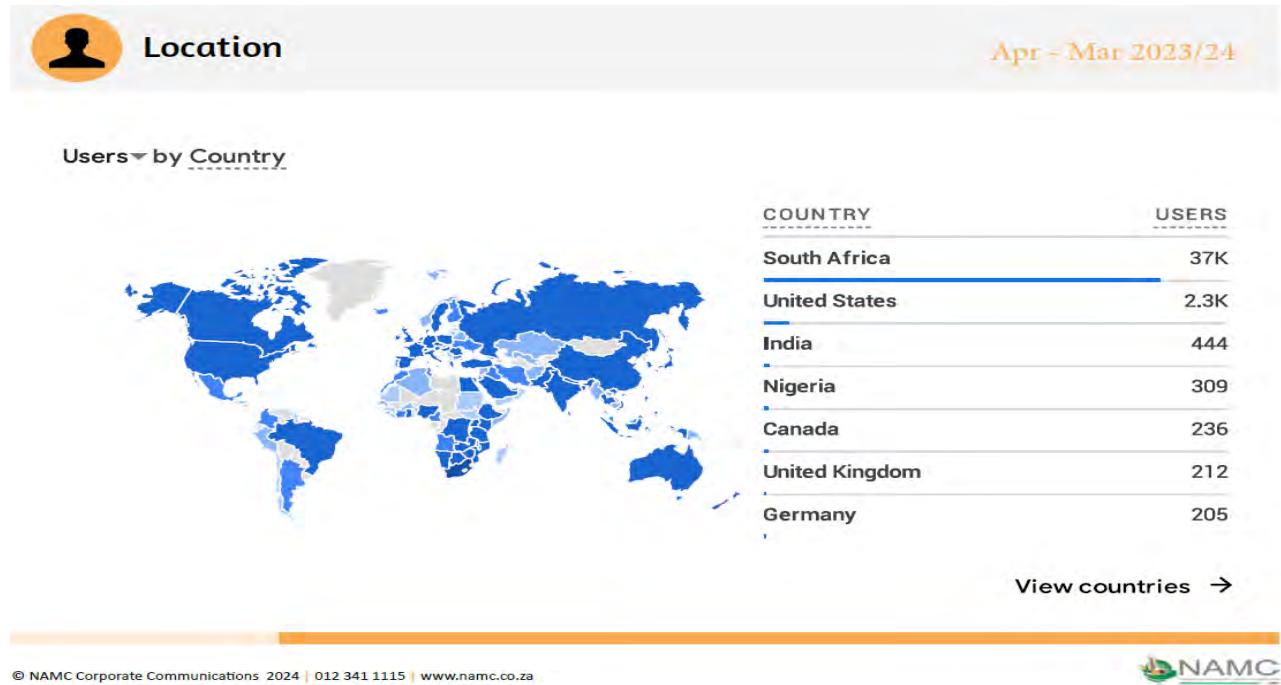
### Factors that are considered during the meeting

- Supply figures
- CEC Published figures
- S&D historical figures
- Demand figure
- Historical figures (SAGIS)
- Current deliveries published by SAGIS (extrapolations, regression modelling)
- Co-workers' figures, without disclosing their identity
- SAGIS figures
- Figures and opinions of, and discussions with, co-workers
- Baseline modelling figures on demand and consumption from the Bureau for Food and Agricultural Policy (BFAP)
- Other modelling, including industry forecasting modelling and computable general equilibrium (CGE modelling), is also considered for use in the future, taking into consideration the expansion incapacity

## 6. DISTRIBUTION AND USERS OF THE SASDE REPORT

To keep track of the end-users of the SASDE report, the NAMC retrieves the number of website hits on a regular basis. Based on the annual (April 2023-March 2024) website statistics, NAMC's reports generally have a wide readership of about 43 thousand active

users spread in various geographical locations (See Figure 1). According to the website traffic source, a diversity of institutions including academia, government entities, grain millers, oilseed processors, feed manufacturers, traders, and the baking industry, among others use the SASDE report.



According to a snippet below from the website report, over 1 000 users accessed SASDE reports with a relatively high number of views per user of 3.28, which slightly below the annual average of 3.76 for the entire website.

Page path and screen class	+	Views	Users	Views per user	Average engagement time	Event count
		162,469 100% of total	43,255 100% of total	3.76 Avg 0%	1m 46s Avg 0%	456,688 100% of total
1 /careers/		60,057	21,477	2.80	1m 20s	155,727
2 /		35,434	16,267	2.18	55s	113,453
3 /namc-tenders/		4,296	1,755	2.45	1m 21s	10,900
4 /aamp/		3,521	1,987	1.77	1m 27s	11,633
5 /category/research-publications/supply-demand-estimates/		3,340	1,017	3.28	1m 00s	11,975
6 /publications/		2,616	1,429	1.83	27s	6,268
7 /about-us/executive-committee/		2,114	1,396	1.51	56s	5,373

## 7. ACTUAL EXPENSES FOR 2023/24 AND NEW PROPOSED BUDGETS

The S&DEC want to extend their gratitude to the Maize Trust, Oil and Protein Seeds Development Trust, South African Winter Cereal Industry Trust (SAWCIT) and the Sorghum Trust for the payment of their contributions for 2023/24 financial year. An estimated R46 400 was brought forward from the previous financial year and this is attributable to the S&DEC

having held all meetings virtually with minimal travel expenses incurred. For the proposed budget for 2024/25 financial year, expenses were recalculated based on tariffs and occurrences applicable to meetings and planned excursions. The contributions from the Trusts were calculated based on the difference between the total expenses and the NAMC contribution and allocated according to the same percentages as used by SAGIS. The remunerations and allowances were adjusted by 6% going forward from the actual expenditures of 2023/24, while expenditures on catering, travel & accommodation were adjusted by 4%. Whereas the contribution by the NAMC was increased by 2%, it is important to note that the NAMC contributes more than 50% of the total budget. The original arrangement was to have a 50% cost sharing between the industry and the NAMC. From Table 2, is worthwhile to note that actual expenditure on the *“Remuneration and allowances”* budget line was R30 854 higher than what had been budgeted. Thus, a 6% increase was considered for the 2024/25.

**Table 2: Actual expenses for 2023/24 and the new proposed budget for 2024/25**

Supply & Demand Estimates Committee (S&DEC)	Budget 2023/24	Actual expenses 23/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
Difference (Total cost - NAMC)	371 733	278 431	392 280	423 407	456 190
<b>Incomes</b>					
Balance forward		-24 104	46 411	0	0
NAMC	631 000	631 000	643 620	656 492	669 622
Maize Trust (69.3% of diff.)	246 087	223 300	239 687	293 421	316 140
Oil & Protein (14.3% of diff.)	58 734	58 734	49 459	60 547	65 235
South African Winter Cereal Industry Trust (12.2% of diff.)	50 184	50 184	42 196	51 656	55 655
Sorghum Trust (4.2% of diff.)	16 728	16 728	14 527	17 783	19 160
<b>Total Income</b>	<b>1 002 733</b>	<b>955 842</b>	<b>1 035 900</b>	<b>1 079 899</b>	<b>1 125 812</b>
Remuneration and allowances	872 831	903 685	907 744	944 054	981 816
Travel & Accommodation	117 404	5 746	124 448	131 915	139 830
Catering	3 498	0	3 708	3 930	4 166
Miscellaneous	9 000				
<b>Total expenses</b>	<b>1 002 733</b>	<b>909 431</b>	<b>1 035 900</b>	<b>1 079 899</b>	<b>1 125 812</b>

With effect from the 2023/24, the South African Winter Cereal Industry Trust (SAWCIT) replaced the Winter Cereal trust in terms of providing the required financial support to the S&DEC.

## **8. STAKEHOLDER ENGAGEMENTS**

Building connections with important industry players is essential to the Supply and Demand Estimates project in order to guarantee that the report provides a comprehensive summary of important industry data related to grains and oilseeds. The Grain Specialist engaged with industry stakeholders on several occasions, and occasionally a liaison committee representative also met with industry stakeholders. These kinds of interactions were intended to build connections and ensure that vital data regarding grains and oilseeds was gathered. There were several parties involved in the grain business. During these meetings, information was shared for the mutual benefit of the involved parties and the NAMC. Notably, a variety of engagement methods were employed, such as in-person meetings and phone conversations with different stakeholders.

## **9. CONCLUSION**

Information effectiveness is important in developing countries. Accurate and pertinent information helps guarantee market sustainability and careful consideration of a country's food security in light of both public and private goals. Initiatives like creating the SASDE report have the potential to give the market useful information for a set amount of time. The facts on the report's end users show that the release of the SASDE report has elevated the grain and oilseeds market in South Africa and the surrounding area. The mutual understanding and cooperation between the trusts and the NAMC have also made a substantial contribution to the S&DEC's operation. The committee needs this kind of help to make sure that its duties are carried out properly

## Annexure 1: Publication Dates for 2023

 <b>SAGIS</b> South African Grain Information Service NPC Suid Afrikaanse Graaininligtingsdiens NWM <small>Reg no. 1997/019186/08</small>		 <b>CEC</b> <small>Crop Estimates Committee Oesskottelingskomitee</small>	 <b>NAMC</b> <small>Promoting market access for South African agriculture</small>
2023	<b>SAGIS Monthly Data</b>	<b>Crop Estimates</b>	<b>Supply &amp; Demand Estimates</b>
<b>Jan</b>	25	26	13, 31
<b>Feb</b>	27	28	9 (Crop Estimates Liaison Committee)
<b>Mar</b>	27	28	3, 31
<b>Apr</b>	26	26	-
<b>May</b>	25	25	11 (both Liaison Committees) 4, 30
<b>Jun</b>	26	27	30
<b>Jul</b>	25	26	28
<b>Aug</b>	25	29	-
<b>Sep</b>	26	27	1, 29
<b>Oct</b>	25	26	31
<b>Nov</b>	27	28	-
<b>Dec</b>	22	19	1